

Jason Hoppin, *Pioneer Press*

Ensuring his first official act would be written into the annals of state history, Gov. Mark Dayton invited "tea party" protesters to be heard at the state Capitol on Wednesday before signing into law a \$2 billion expansion of health care for the poor.

By turning over the gubernatorial podium to sign-carrying "Obamacare" protesters, Dayton created a memorable scene inside a formal reception room where speakers both supported and decried Minnesota's boldest step yet toward embracing President Barack Obama's federal health care overhaul.

Calling an expansion of a state Medicaid program known as Medical Assistance "essential to providing better health care to all Minnesotans," Dayton set a tone for his administration by inviting the boisterous crowd to offer counterpoints to his own Capitol guests.

"This is an office where all points of view are honored and respected," Dayton said, addressing supporters and a crowd of more than 100 protesters who clogged the entrance to the governor's office. He declared it "the people's room."

Several argued against the signing, saying it would restrict "freedom" and reduce, rather than expand, access to health care. One man - who said he had federally funded health insurance for veterans - said federal involvement in health care was unconstitutional, while another man said the church should provide health care.

"What we need is not stronger government," Jake Macaulay said. "What we need is strong ... self-government
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that will look out for people."

The Archdiocese of St. Paul and Minneapolis, as well as several other religious leaders and organizations, supports Dayton's move, as did scores of health care lobbyists and activists at the Capitol on Wednesday who applauded and cheered Dayton, drowning out a smattering of boos.

Wednesday's ceremony was the culmination of a gamble state lawmakers made at the end of the 2010 legislative session. Deadlocked with then-Gov. Tim Pawlenty over transferring thousands of people on state-run health care programs into an expanded federal Medicaid program, they decided to forestall the decision by handing it to the next governor.

Dayton based part of his campaign on that federal expansion and said he would make it his first official act. After the signing, the governor handed symbolic pens to several advocates and DFL architects of the deal - former House Speaker Margaret Anderson Kelliher, Sens. Larry Pogemiller and Linda Berglin, and Reps. Thomas Huntley and Erin Murphy.

"I think the health care debate has intersected with the tea party movement in a way that's not fully informed ... in a way that's going to make our job much more interesting and challenging," said Murphy, of St. Paul. "As rowdy as this was, it's good for our democracy."

State Republicans strongly criticized Dayton's move. They questioned the legality of the deal struck between Republicans and Democrats at the end of last session and whether the expansion would tie the state's hands in controlling health costs, the fastest-growing part of the state budget.

"Does anyone believe that expanding an entitlement is going to save money?" asked Sen. David Hann, R-Edina, chair of the Health and Human Services Committee.

Another critic was Republican U.S. Rep. Michele Bachmann, who lashed out Tuesday in anticipation of the decision. Sen. Al Franken and U.S. Rep. Betty McCollum, both Democrats, praised it.

"I fought hard for this provision in health reform, and I'm very pleased that Governor Dayton has acted early and decisively to take federal Medicaid dollars to insure low-income Minnesotans," Franken said.

Under the federal health care law, states already providing health care for single adults are allowed to enroll them in expanded Medicaid programs, with the federal government picking up

half the tab. In 2014, the federal government starts picking up most, if not all, of the cost.

The expansion covers single adults making less than 75 percent of poverty-level wages, or about \$8,100 a year. Approximately 12,000 currently uninsured people will become eligible, as well as 83,000 on the state-funded programs General Assistance Medical Care and MinnesotaCare. Eventually, all would be enrolled in Medical Assistance, which offers a much broader set of health care benefits.

The state's share of the \$2.4 billion expansion will be covered by funds currently spent on state programs that would no longer be needed, as well as previously enacted health care cuts. Overall, the move saves the state \$32 million, Dayton said.

When it takes effect, the expansion will put an end to health care reforms aimed at the poor enacted under Pawlenty, which nevertheless are likely to be a key talking point should Pawlenty run for president.

Known as General Assistance Medical Care, the program affected poor adults making less than about \$8,100 a year. Pawlenty unilaterally slashed funding for an earlier version of GAMC, replacing it with a \$160 million program negotiated as part of the deal to postpone the Medicaid-expansion decision.

Under that program, hospitals were paid a lump sum to treat patients, intended as a way to force health care providers to find ways to cut costs. Yet only four metro-area hospitals signed up for the program, and none did outside the metro area.

"It shifted the distribution of health care from statewide to just in the metro area," Dayton said.

Hospital administrators say that as tough as that program was financially, there were early signs of savings from better coordinating care for patients, particularly those with intense health care needs. Murphy said pilot programs in Hennepin and Ramsey counties would continue to explore those programs.

Several people whose lives have been affected by the ongoing debate over the scope of state-run health care programs were on hand Wednesday.

Sarah Anderson spoke on behalf of her brother, Eric Halstensen, who was diagnosed with a potentially life-threatening form of cancer after a fall. Halstensen was only recently employed, and his case seemed to fall between the cracks of Pawlenty's overhauled GAMC program as he was shuttled from one hospital to another.

"There will not be another family who will be forced to watch while their brother is denied access to health care," Anderson said.

Another was Gary Gunkel, a veteran originally from South St. Paul who lost his job at Mystic Lake after he hurt his back in a car accident. Gunkel now receives veterans benefits, but he faced going without health care until those benefits kicked in.

"It's going to help a lot of other people that need that stepping stone," Gunkel said.

Outgoing members of Pawlenty's administration recently said it could take as long as nine months to enact the expansion, which prompted Dayton to rip into Pawlenty, accusing him of hiding the facts.

Dayton has yet to announce his pick to run the state Department of Human Services, which oversees public health care programs, but he said Wednesday that the commissioner's first mandate would be to speed up the transition to Medical Assistance.

A spokeswoman for the department said the agency was already exploring ways to do that.

Wednesday's scene of a governor handing opponents his microphone on what should have

been a celebratory occasion had no precedent in anyone's memory.

Former Gov. Arne Carlson gave it his stamp of approval.

"I think it's very gracious of the governor to do that. Maybe it could set a precedent for future concerns. Well done," said Carlson, a Republican. "I wish I had thought of it."

DFL analyst and former Hubert Humphrey spokesman D.J. Leary - while making clear Wednesday's scene was a turn of events no gubernatorial handler would welcome - said Dayton helped defuse an explosive scenario by disarming his opponents.

Leary said it could be a sign of things to come from Dayton, whom he has long known.

"Remember, he learned at the knee of (former Gov.) Rudy Perpich," Leary said. "And if Rudy Perpich was anything, he was unpredictable."